Packaging growth heads for over $11bn by 2008

The market for semiconductor packaging materials is expected to grow from $7.9bn in 2003 to $11.7bn by 2008, according to a new study by SEMI and TechSearch International.

The laminate substrates segment, worth $2bn globally in 2003, is leading sector growth, and is projected to overtake leadframes as the largest semiconductor packaging material segment by 2005.

The report, "*Global Semiconductor Packaging Materials Outlook*," is based on 140 in-depth interviews conducted with packaging subcontractors, semiconductor manufacturers and materials suppliers.

It includes unpublished data on revenue, unit shipments and market shares for each packaging material segment; a five-year forecast of revenue and units (2003-2008), average selling price data and trends; and an analysis of regional market trends. Implications of 'green' manufacturing are also covered.

The report identifies important technology and business trends affecting the packaging materials market, as well as supplier opportunities.

Key findings include:

• Tightening supply conditions result in price increases for wire bond substrates in 2004, triggering some suppliers to invest in more manufacturing capacity.

• Unit shipments of quad flat no-lead (QFN) lead frame packages grew 52 % in '03 over '02 and will continue as existing lead frame-based manufacturing is leveraged to serve growing demand for compact electronics, such as mobile phones.

• The shift to new resin formulations for advanced packaging creates opportunities for the suppliers of mold compounds, underfills and encapsulants.

Technical limitations of underfill materials for the flip chip assembly process will lead to new formulation developments, that have potential to capture a larger market share.

Semiconductor Packaging 2003

Materials Segment	Global Market $M
Laminate Substrates	$2,000.00
Flex Circuit/Tape Substrates	$319.00
Lead Frames	$2,626.24
Bonding Wire	$1,281.91
Mold Compounds	$1,248.95
Underfill Materials	$36.00
Liquid Encapsulants	$71.10
Die Attach Materials	$241.20
Solder Balls	$60.00
Wafer Level Package Dielectrics	$4.00

Contact: www.semi.org